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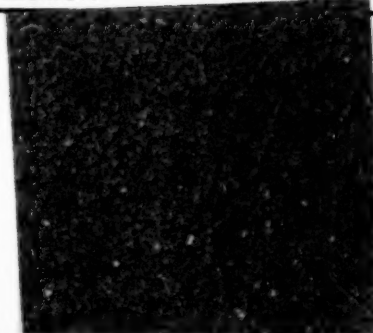
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INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

Implementation of the least developed countries programme

Progress report by the Director-General

Summary

Updates the information provided in document GC.7/9 and reports on activities and special measures initiated or implemented from 1 May to 30 September 1997.

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I. STATUS OF IMPLEMENTATION

1. The upward trend in delivery of priority programmes to least developed countries (LDCs) continued during the second and third quarters. Total delivery to LDCs in 1997, as at 30 September, amounted to \$9.4 million, representing an increase by \$1 million or 12 per cent as compared with the same period in 1996.

2. Within the context of special regional programmes for African and Asian LDCs, implementation of two major programmes, initiated in response to the recommendations of the Third Ministerial Symposium, was actively pursued during the reporting period:

(a) A preparatory assistance project assessed the needs of 18 African LDCs in establishing an effective network of industrial information centres. Similar preparatory assistance for six LDCs and low-income economies in Asia and the Pacific is under active implementation. As a result of these preparatory assistance activities, country project documents for all the LDCs covered (with a total value of some \$5 million) are being finalized and will be submitted for funding by December 1997 to potential donors and the concerned UNDP offices.

(b) Two preparatory assistance projects are examining existing physical and institutional capacities in 10 African and 5 Asian LDCs in quality control, standardization, testing and metrology (QSTM). As an output, a regional workshop for 10 African LDCs is being arranged in the United Republic of Tanzania from 28 to 30 October 1997 which will result, *inter alia*, in formulating two subregional projects on QSTM. A regional workshop for Asian LDCs will be held in Lao People's Democratic Republic in November 1997. The final project documents for the subregional projects will be presented to potential donors for funding consideration.

II. SPECIAL MEASURES FOR RESOURCE MOBILIZATION

3. In preparation for the UNCTAD/UNIDO pilot seminar on mobilization of investment funds to LDCs,

held in Geneva from 23 to 25 June 1997, UNIDO carried out case studies in one Asian and six African LDCs. The purpose was to examine the prospects and constraints for the development of innovative financing arrangements for the industrial sector in LDCs. The case studies, together with two other UNIDO papers on investment opportunity studies in agro-related industries and industrial infrastructure, and on privatization and investment, were reviewed by and discussed with private investors and fund managers participating in the pilot seminar. The studies clearly showed that channeling of investment funds to the industrial sector of LDCs could be fostered, if the pre-conditions—both at policy and institutional levels—were improved in those countries.

III. FOURTH LDC MINISTERIAL SYMPOSIUM

4. As part of its programme for the least developed countries, UNIDO holds every two years a symposium for LDC Ministers of Industry. The main objective is to create a forum for discussion and exchange of views on special needs of LDCs and concrete measures to be taken by UNIDO and LDC Governments to strengthen the industrial sector in those countries.

5. The fourth LDC Ministerial Symposium, to be convened from 26 November to 5 December 1997 in conjunction with the seventh session of the UNIDO General Conference, will provide a forum for the Ministers to discuss the issue of industrial competitiveness in LDCs in the light of increasing globalization. In dealing with this problem, the Ministers will focus on the fundamental issue of how to achieve industrial competitiveness, with special emphasis on agro-related industries.

6. Documentation for the Symposium now under preparation includes country papers by LDCs and three issue papers by UNIDO on: (a) progress and prospects for industrial development in LDCs towards the twenty-first century; (b) promoting competitiveness in agro-related industries, through capacity-building; and (c) establishment of an enabling environment to promote competitiveness.